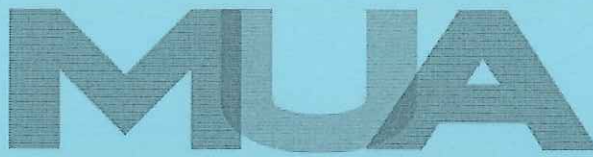


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP**

**PSM 404: PROCUREMENT AND CONTRACT MANAGEMENT**

**DATE: 15<sup>th</sup> DECEMBER 2017**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

## QUESTION ONE

**Read the Case Study below carefully and answer the questions that follow**

During a negotiation meeting the supplier offers a price and payment terms that are on offer 'today only' and the buyer can take or leave this deal. The buyer explains that more discussion is required because the price is above the buyer's budget and the payment terms are shorter than the buying organization's standard terms. The supplier listens selectively and then repeats his ultimatum. The buyer does not want an impasse to end the meeting, before a contract is agreed.

### Required

- a) Using the scenario outlined above suggest THREE different types of question that the buyer can use and explain why these questions might be effective.

**( 15 marks )**

- b) Discuss how effective listening skills could improve the supplier's contribution to the negotiation.

**(10 marks )**

## QUESTION TWO

- a) Explain FIVE of the main responsibilities of a contract manager

**(10 marks)**

- b) Explain the reasons why do contractual disputes arise between buyers and suppliers.

**(5marks)**

## QUESTION THREE

- a) Describe the elements that need to exist in order for a legally binding contract to be established intention to create legal obligation

**(10 marks)**

- b) Explain THREE potential advantages of using 'Model Form Contracts'.

**(5 marks)**



#### QUESTION FOUR

- a) Where goods are to be delivered by installments, it is not possible to cancel the whole contract once one installment has been accepted. Assess the legal validity of this statement (10 marks)
- b) Discuss on the objectives of contract management between during procurement process (5 marks)

#### QUESTION FIVE

- a) Explain five different types of dispute resolution methods during contract management (5 marks)
- b) Explain the risks of entering into contracts in contracting. (10 marks)

#### QUESTION SIX

- a) Getting your contract right, under the contract for sale of goods terms and conditions should be explicit. Explain the explicit elements in a valid contract. (10 marks)
- b) Explain on the Challenges encountered In Contract Management (5 marks)

